

AMENDED IN ASSEMBLY MAY 4, 2009

AMENDED IN ASSEMBLY APRIL 22, 2009

CALIFORNIA LEGISLATURE—2009–10 REGULAR SESSION

## ASSEMBLY BILL

**No. 1108**

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**Introduced by Assembly Member Fuentes**

February 27, 2009

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An act to amend Sections 739.5, 2791, 2797, and 2798 of, to add the heading of Chapter 1 (commencing with Section 9500) to, and to add Chapter 2 (commencing with Section 9505) to, Division 4.8 of, and to repeal Sections 2792, 2793, 2794, 2795, 2796, 2799, and 12821.5 and 2799 of, the Public Utilities Code, relating to utility service.

### LEGISLATIVE COUNSEL'S DIGEST

AB 1108, as amended, Fuentes. Electric and gas utility service: master-meter customers.

(1) Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations and gas corporations. Existing law requires that, when gas or electric service is provided by a master-meter customer to users who are tenants of a mobilehome park, apartment building, or similar residential complex, the master-meter customer charge each user at the same rate that would be applicable if the user were receiving gas or electricity directly from the gas or electrical corporation. Existing law additionally requires the electrical or gas corporation to establish uniform rates to master-meter customers at a level that will provide a sufficient differential to cover the reasonable average costs to master-meter customers of providing submeter service, except that these costs shall not exceed the average cost that the corporation would have

incurred in providing comparable services directly to the users of the service (master-meter discount). Existing law provides that every master-meter customer is responsible for the maintenance and repair of its submeter facilities beyond the master-meter.

This bill would authorize the commission, if it finds that a master-meter customer has failed to maintain or repair its submeter facilities beyond the master-meter, to order the master-meter customer to maintain or repair those facilities and would authorize the commission, in addition to the commission's authority to make or enforce orders pursuant to the Public Utilities Act, to order that moneys received as a result of the master-meter discount be held in trust to be expended for maintenance and repair of the submeter facilities. The bill would require a master-meter customer to separately bill for gas or electric service, or both, and rent. This bill would prohibit a master-meter customer from charging a user of electricity or gas any late charge for nonpayment or delayed payment of rent. The bill would require that any late charge imposed by a master-meter customer for nonpayment or delayed payment by a user for gas or electric service be in an amount that does not exceed that which the electrical or gas corporation would charge for nonpayment or delayed payment for electric or gas service.

(2) Existing law authorizes the owner of a master-metered mobilehome park or manufactured housing community that provides gas or electric service to residents to transfer ownership and operational responsibility for its gas or electric system to the gas or electrical corporation providing service in the area in which the park or community is located, pursuant to specified transfer and cost allocation procedures.

This bill would require the owner of a master-metered mobilehome park or manufactured housing community that provides gas or electric service to residents to transfer ownership and operational responsibility for its gas or electric system to the gas or electrical corporation providing service in the area in which the park or community is located. The bill would require the commission to permit the gas or electrical corporation to recover, in its revenue requirements and rates, all costs to acquire, improve, upgrade, operate, and maintain transferred mobilehome park or manufactured housing community gas or electric systems. The bill would require the commission to adopt a standard form agreement for transfer of gas and electric distribution facilities in mobilehome parks and manufactured housing communities that would be the basis for expedited approval of the transfers and would require that the contract be based on rules approved by the commission.

Under existing law, a violation of any order, decision, rule, direction, demand, or requirement of the commission is a crime.

Because a violation of an order or decision of the commission implementing its requirements would be a crime, the bill would impose a state-mandated local program ~~by~~ by creating a new crime.

~~(3) The existing Municipal Utility District Act authorizes the formation of a municipal utility district and authorizes a district to acquire, construct, own, operate, control, or use works for supplying the inhabitants of the district and public agencies with light, water, power, heat, transportation, telephone service, or other means of communication, or means for the collection, treatment, or disposition of garbage, sewage, or refuse matter. Existing law requires that, when light, heat, or power is provided by a master-meter customer to users who are tenants of a mobilehome park, apartment building, or similar residential complex, the master-meter customer charge each user at the same rate that would be applicable if the user were receiving service directly from a municipal utility district. Existing law additionally requires that the master-meter customer provide an itemized billing of charges for light, heat, and power to each individual user generally in accordance with the form and content of bills of the district to its residential customers. Existing law provides that every master-meter customer receiving light, heat, or power from a municipal utility district is responsible for maintenance and repair of its submeter facilities beyond the master-meter.~~

~~This bill would repeal this provision. The bill would provide that when gas or electric service is provided by a master-meter customer to users who are tenants of a mobilehome park, apartment building, or similar residential complex, the master-meter customer charge each user at the same rate that would be applicable if the user were receiving gas or electricity directly from a local publicly owned electric or gas utility. The bill would require a master-meter customer to provide an itemized billing of charges for electricity or gas to each user in accordance with the form and content of bills of the local publicly owned electric or gas utility to its residential customers. The bill would require a master-meter customer to separately bill for gas or electric service, or both, and rent. The bill would prohibit a master-meter customer from charging a user of electricity or gas any late charge for nonpayment or delayed payment of rent. The bill would require that any late charge imposed by a master-meter customer for nonpayment or delayed payment by a user for gas or electric service be in an amount that does~~

~~not exceed that which the local publicly owned electric or gas utility would charge for nonpayment or delayed payment for electric or gas service. The bill would provide that every master-meter customer receiving electric or gas service from a local publicly owned electric or gas utility is responsible for maintenance and repair of its submeter facilities beyond the master-meter. The bill would authorize the commission, if it finds that a master-meter customer has failed to maintain or repair its submeter facilities beyond the master-meter, to order the master-meter customer to maintain or repair those facilities and would authorize the commission, in addition to the commission's authority to make or enforce orders pursuant to the Public Utilities Act, to order that moneys received as a result of a master-meter discount provided by a local publicly owned electric or gas utility be held in trust to be expended for maintenance and repair of the submeter facilities. The bill would require a local publicly owned electric or gas utility to notify each master-meter customer of these obligations. By placing additional requirements upon local publicly owned electric and gas utilities, the bill would impose a state-mandated local program.~~

~~(4) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.~~

~~This bill would provide that no reimbursement is required by this act for specified reasons:~~

~~(3) *The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.*~~

~~*This bill would provide that no reimbursement is required by this act for a specified reason.*~~

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: yes.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 739.5 of the Public Utilities Code is
- 2 amended to read:
- 3 739.5. (a) (1) The commission shall require that, whenever
- 4 gas or electric service, or both, is provided by a master-meter
- 5 customer to users who are tenants of a mobilehome park, apartment
- 6 building, or similar residential complex, the master-meter customer

1 shall charge each user of the service at the same rate that would  
2 be applicable if the user were receiving gas or electricity, or both,  
3 directly from the gas or electrical corporation.

4 (2) The commission shall require the electrical or gas  
5 corporation furnishing service to the master-meter customer to  
6 establish uniform rates for master-meter service at a level that will  
7 provide a sufficient differential to cover the reasonable average  
8 costs to master-meter customers of providing submeter service,  
9 except that these costs shall not exceed the average cost that the  
10 corporation would have incurred in providing comparable services  
11 directly to the users of the service.

12 (b) Every master-meter customer of a gas or electrical  
13 corporation subject to subdivision (a) who, on or after January 1,  
14 1978, receives any rebate from the corporation shall distribute to,  
15 or credit to the account of, each current user served by the  
16 master-meter customer that portion of the rebate which the amount  
17 of gas or electricity, or both, consumed by the user during the last  
18 billing period bears to the total amount furnished by the corporation  
19 to the master-meter customer during that period.

20 (c) An electrical or gas corporation furnishing service to a  
21 master-meter customer shall furnish to each user of the service  
22 within a submetered system every public safety customer service  
23 which it provides beyond the meter to its other residential  
24 customers. The corporation shall furnish a list of those services to  
25 the master-meter customer who shall post the list in a conspicuous  
26 place accessible to all users. Every corporation shall provide these  
27 public safety customer services to each user of electrical or gas  
28 service under a submetered system without additional charge unless  
29 the corporation has included the average cost of these services in  
30 the rate differential provided to the master-meter customer on  
31 January 1, 1984, in which case the commission shall deduct the  
32 average cost of providing these public safety customer services  
33 when approving rate differentials for master-meter customers.

34 (d) (1) Every master-meter customer is responsible for  
35 maintenance and repair of its submeter facilities beyond the  
36 master-meter, and nothing in this section requires an electrical or  
37 gas corporation to make repairs to or perform maintenance on the  
38 submeter system.

39 (2) If the commission finds that a master-meter customer has  
40 failed to maintain or repair its submeter facilities beyond the

1 master-meter, the commission may order the master-meter  
2 customer to maintain or repair those facilities.

3 (3) In addition to any authority granted the commission to make  
4 or enforce orders pursuant to Chapter 11 (commencing with Section  
5 2100), if the commission finds that a master-meter customer has  
6 failed to maintain or repair its submeter facilities beyond the  
7 master-meter, the commission may order that the rate differential  
8 established pursuant to subdivision (a) be held in trust to be  
9 expended for maintenance and repair of the submeter facilities.

10 (e) (1) Every master-meter customer shall provide an itemized  
11 billing of charges for electricity or gas, or both, to each user  
12 generally in accordance with the form and content of bills of the  
13 corporation to its residential customers, including, but not limited  
14 to, the opening and closing readings for the meter, and the  
15 identification of all rates and quantities attributable to each block  
16 in the applicable rate structure. The master-meter customer shall  
17 also post, in a conspicuous place, the applicable prevailing  
18 residential gas or electrical rate schedule, as published by the  
19 corporation.

20 (2) Notwithstanding any other provision of law, a master-meter  
21 customer shall separately bill each user for gas or electric service,  
22 or both, and rent. A master-meter customer shall not charge a user  
23 of electricity or gas any late charge for gas or electric service as a  
24 result of nonpayment or delayed payment of rent. For nonpayment  
25 of delayed payment of gas or electric service by a user, the  
26 master-meter customer may impose a late charge up to an amount  
27 that does not exceed that which the electrical or gas corporation  
28 would charge for nonpayment or delayed payment for electric or  
29 gas service.

30 (f) The commission shall require that every electrical and gas  
31 corporation shall notify each master-meter customer of its  
32 responsibilities to its users under this section.

33 (g) The commission shall accept and respond to complaints  
34 concerning the requirements of this section through the consumer  
35 affairs branch, in addition to any other staff that the commission  
36 deems necessary to assist the complainant. In responding to the  
37 complaint, the commission shall consider the role that the office  
38 of the county sealer in the complainant's county of residence may  
39 have in helping to resolve the complaint and, where appropriate,  
40 coordinate with that office.

(h) Notwithstanding any other provision of law or decision of the commission, the commission shall not deny eligibility for the California Alternative Rates for Energy (CARE) program, created pursuant to Section 739.1, for a residential user of gas or electric service who is a submetered resident or tenant served by a master-meter customer on the basis that some residential units in the master-meter customer's mobilehome park, apartment building, or similar residential complex do not receive gas or electric service through a submetered system.

SEC. 2. Section 2791 of the Public Utilities Code is amended to read:

2791. The owner of a master-metered mobilehome park or manufactured housing community that provides gas or electric service to residents shall transfer ownership and operational responsibility for the gas or electric system to the gas or electrical corporation providing service in the area in which the park or community is located pursuant to this chapter, or as the park or community owner and the serving gas or electrical corporation mutually agree.

SEC. 3. Section 2792 of the Public Utilities Code is repealed.

SEC. 4. Section 2793 of the Public Utilities Code is repealed.

SEC. 5. Section 2794 of the Public Utilities Code is repealed.

SEC. 6. Section 2795 of the Public Utilities Code is repealed.

SEC. 7. Section 2796 of the Public Utilities Code is repealed.

SEC. 8. Section 2797 of the Public Utilities Code is amended to read:

2797. The commission shall permit the gas or electrical corporation to recover in its revenue requirement and rates all costs to acquire, improve, upgrade, operate, and maintain transferred mobilehome park or manufactured housing community gas or electric systems.

SEC. 9. Section 2798 of the Public Utilities Code is amended to read:

2798. The commission shall adopt a standard form of agreement for transfer of gas and electric distribution facilities in mobilehome parks and manufactured housing communities that shall be the basis for expedited approval of the transfers. The contract shall be based on rules approved by the commission.

SEC. 10. Section 2799 of the Public Utilities Code is repealed.

1     ~~SEC. 11. The heading of Chapter 1 (commencing with Section~~  
2     ~~9500) is added to Division 4.8 of the Public Utilities Code, to read:~~

3  
4             ~~CHAPTER 1. WEATHERIZATION SERVICES~~

5  
6     ~~SEC. 12. Chapter 2 (commencing with Section 9505) is added~~  
7     ~~to Division 4.8 of the Public Utilities Code, to read:~~

8  
9             ~~CHAPTER 2. MASTER-METER CUSTOMERS~~

10  
11     ~~9505. (a) (1) Whenever gas or electric service, or both, is~~  
12     ~~provided by a master-meter customer to users who are tenants of~~  
13     ~~a mobilehome park, apartment building, or similar residential~~  
14     ~~complex, the master-meter customer shall charge each user of the~~  
15     ~~service at the same rate that would be applicable if the user were~~  
16     ~~receiving gas or electricity, or both, directly from a local publicly~~  
17     ~~owned electric or gas utility.~~

18     ~~(2) Notwithstanding any other provision of law, a master-meter~~  
19     ~~customer shall separately bill each user for gas or electricity~~  
20     ~~service, or both, and rent. A master-meter customer shall not charge~~  
21     ~~a user of electricity or gas any late charge for gas or electric service~~  
22     ~~as a result of nonpayment or delayed payment of rent. For~~  
23     ~~nonpayment or delayed payment of gas or electric service by a~~  
24     ~~user, the master-meter customer may impose a late charge up to~~  
25     ~~an amount that does not exceed that which the local publicly owned~~  
26     ~~electric or gas utility would charge for nonpayment or delayed~~  
27     ~~payment for electric or gas service.~~

28     ~~(b) Every master-meter customer of a gas or electrical~~  
29     ~~corporation subject to subdivision (a) who receives any rebate~~  
30     ~~from the local publicly owned electric or gas utility shall distribute~~  
31     ~~to, or credit to the account of, each current user served by the~~  
32     ~~master-meter customer that portion of the rebate which the amount~~  
33     ~~of gas or electricity, or both, consumed by the user during the last~~  
34     ~~billing period bears to the total amount furnished by the utility to~~  
35     ~~the master-meter customer during that period.~~

36     ~~(c) (1) Every master-meter customer is responsible for~~  
37     ~~maintenance and repair of its submeter facilities beyond the~~  
38     ~~master-meter, and nothing in this section requires a local publicly~~  
39     ~~owned electric or gas utility to make repairs to or perform~~  
40     ~~maintenance on the submeter system. For purposes of this~~



1 ~~subdivision only, a master-meter customer of a local publicly~~  
2 ~~owned electric or gas utility is subject to the jurisdiction of the~~  
3 ~~commission.~~

4 ~~(2) If the commission finds that a master-meter customer has~~  
5 ~~failed to maintain or repair its submeter facilities beyond the~~  
6 ~~master-meter, the commission may order the master-meter~~  
7 ~~customer to maintain or repair those facilities.~~

8 ~~(3) In addition to any authority granted the commission to make~~  
9 ~~or enforce orders pursuant to Chapter 11 (commencing with Section~~  
10 ~~2100), if the commission finds that a master-meter customer has~~  
11 ~~failed to maintain or repair its submeter facilities beyond the~~  
12 ~~master-meter, the commission may order that any master-meter~~  
13 ~~discount provided to the master-meter customer by a local publicly~~  
14 ~~owned electric or gas utility be held in trust to be expended for~~  
15 ~~maintenance and repair of the submeter facilities.~~

16 ~~(d) Every master-meter customer shall provide an itemized~~  
17 ~~billing of charges for electricity or gas, or both, to each user~~  
18 ~~generally in accordance with the form and content of bills of the~~  
19 ~~local publicly owned electric or gas utility to its residential~~  
20 ~~customers, including the opening and closing readings for the~~  
21 ~~meter, and the identification of all rates and quantities attributable~~  
22 ~~to each block in the applicable rate structure. The master-meter~~  
23 ~~customer shall also post, in a conspicuous place, the applicable~~  
24 ~~prevailing residential gas or electrical rate schedule, as published~~  
25 ~~by the utility.~~

26 ~~(e) A local publicly owned electric or gas utility shall notify~~  
27 ~~each master-meter customer of its responsibilities to its users under~~  
28 ~~this section.~~

29 ~~(f) The commission shall accept and respond to complaints of~~  
30 ~~users of a master-meter customer concerning the requirements of~~  
31 ~~subdivision (e) through the consumer affairs branch, in addition~~  
32 ~~to any other staff that the commission deems necessary to assist~~  
33 ~~the complainant. In responding to the complaint, the commission~~  
34 ~~shall consider the role that the office of the county sealer in the~~  
35 ~~complainant's county of residence may have in helping to resolve~~  
36 ~~the complaint and, where appropriate, coordinate with that office.~~

37 ~~SEC. 13. Section 12821.5 of the Public Utilities Code is~~  
38 ~~repealed.~~

39 ~~SEC. 14. No reimbursement is required by this act pursuant to~~  
40 ~~Section 6 of Article XIII B of the California Constitution because~~

1 certain costs that may be incurred by a local agency or school  
2 district will be incurred because this act creates a new crime or  
3 infraction, eliminates a crime or infraction, or changes the penalty  
4 for a crime or infraction, within the meaning of Section 17556 of  
5 the Government Code, or changes the definition of a crime within  
6 the meaning of Section 6 of Article XIII B of the California  
7 Constitution.

8 With respect to certain other costs, no reimbursement is required  
9 by this act pursuant to Section 6 of Article XIII B of the California  
10 Constitution because a local agency or school district has the  
11 authority to levy service charges, fees, or assessments sufficient  
12 to pay for the program or level of service mandated by this act,  
13 within the meaning of Section 17556 of the Government Code.

14 *SEC. 11. No reimbursement is required by this act pursuant*  
15 *to Section 6 of Article XIII B of the California Constitution because*  
16 *the only costs that may be incurred by a local agency or school*  
17 *district will be incurred because this act creates a new crime or*  
18 *infraction, eliminates a crime or infraction, or changes the penalty*  
19 *for a crime or infraction, within the meaning of Section 17556 of*  
20 *the Government Code, or changes the definition of a crime within*  
21 *the meaning of Section 6 of Article XIII B of the California*  
22 *Constitution.*